

# City of Seattle

## Office of Intergovernmental Relations

Marco Lowe, Director  
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### MEMORANDUM

**TO:** Council Members  
**FROM:** Shauna Larsen, Federal Relations Director  
**DATE:** November 8, 2010  
**SUBJECT:** Federal Relations Update

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Last Tuesday's elections created more questions than answers as Congress looks to return to a "Lame Duck" session on November 15. The biggest item of business for the lame duck is completion of the FY 2011 Appropriations Bills.

#### **FY 2011 Appropriations Update**

Before leaving town at the end of September, Congress passed a CR – "continuing resolution" - for Fiscal Year 2011 which funds the government until December 3. The plan is for the House and Senate to return on November 15 for a post-election "lame-duck" session, principally to work on the FY11 budget and also determine what should be done about the expiring Bush era tax cuts and other "tax extenders" that need to be passed. The fate of all the key urban programs at DOT, HUD, Justice, Labor, Treasury, EPA and elsewhere, as well as earmarks, will be dependent on the deliberations in the lame duck session. Right now Congress plans to work about a week, take off a week for Thanksgiving, and then come back after the holiday for a couple of weeks in December.

Of course, how this lame duck session plays out will depend on whether the Congressional Republicans, who won the majority on Tuesday, will "allow" the House to complete the work on the spending bills or not. The last time there was a party shift, in 2006, when the Democrats won the elections and were slated to take over the House and Senate in 2007, the lame duck session was brief. The Republicans chose not to do work on the pending unfinished budget, and the Democrats did not want to start their new majority with old business. They simply decided to pass a year- long CR (cancelling all earmarks for the year, as well). We will have a better idea of the path forward when Congress returns next week.

This decisions could impact our outstanding FY 2011 earmarks. The city of Seattle requested funding for seven appropriations projects for FY 2011. This year, both the House and the Senate required members to post on-line all of the requests that they forwarded on to the Appropriations Committee. The chart below shows a list of our project requests and which of our members forwarded our requests to the committee. The House and Senate Appropriations Committee released their list of earmarks for their subcommittees and 3 of our 7 projects were designated for funding.

	<b>Seattle Ask</b>	<b>McDermott</b>	<b>Cantwell</b>	<b>Murray</b>	<b>House</b>	<b>Senate</b>
Elliott Bay Seawall	\$1,100,000	1,100,000	1,100,000	1,400,000	1,400,000	500,000
King Street Station	850,000	850,000	0	850,000	0	0
Venema	750,000	750,000	0	0	0	0
Motorcycle Cameras	700,000	0	0	0	0	0
SYVPI	500,000	0	500,000	500,000	0	100,000
Hazardous Detection	3,000,000	0	0	0	0	0
Residential Recovery	500,000	500,000	500,000	0	350,000	0

If there are no earmarks in the FY 2011 budget, it is likely that the funds that would have gone toward earmarks will be made available to Departments for competitive grants. With seawall funding, what would likely happen is the Corps would use FY 2010 funding levels as the basis to fund the project in FY 2011.

### **Tax Extenders and Tax Cuts**

The other major item for the lame duck is resolution of the “tax extenders” package and the tax cuts set to expire at the end of the year. On Thursday, White House Press Secretary Robert Gibbs told reporters that Obama is open to extending the upper-income rates if that is the only way to ensure that the tax rate for families making less than \$250,000 do not expire. House Republicans were non-committal in their comments about the White House’s position. The dance between the House and Senate and the Congress and the White House on this will be interesting and likely won’t be finished until mid-December.

### **Election Results-Washington State**

As of this writing, seven of our nine delegation members remain the same. In the other two contests, Jaime Herrera beat Denny Heck in the 3<sup>rd</sup> Congressional District and Congressman Rick Larsen is ahead of John Koster by 507 votes in the 2<sup>nd</sup> Congressional District with an unknown number of votes left to count.

Several members of the state’s delegation will now be taking on greater leadership roles in the House. Congressman Norm Dicks will likely be the Ranking Member of the House Appropriations Committee. Congressman Doc Hastings will likely be chair of the House Natural Resources Committee. Congresswoman Cathy McMorris Rodgers could be a member of the Republican leadership. Congressman McDermott will still be one of the top ranking Democrats on the House Ways and Means Committee. Congressman Adam Smith should move up on the House Armed Services Committee.

In the Senate, Senator Patty Murray’s victory, she will continue to be a member of the Senate Appropriations Committee and will maintain a subcommittee chairmanship on that committee. She is also a member of the Senate Budget Committee and the Senate Health, Education, Labor and Pensions Committee. It is unclear whether the smaller Democratic majority will lead to any changes in Committee assignments for Senator Cantwell. As we get more clarity on that front, we will let you know.

### **So What Can They Work On Together?**

The most interesting thing to watch over the next year is seeing if there is anything that the divided government can work on together over the next two years. With Minority Leader Mitch McConnell making it clear that his goal is to do everything he can to ensure Barack Obama’s defeat, it doesn’t bode well for compromise or even common ground. But there are a few issues where bipartisanship may still be a possibility.

*Transportation Reauthorization:* Reauthorization of the surface transportation bill has typically been a bipartisan endeavor. Changes to the composition of the House Transportation and Infrastructure Committee will be dramatic. Current Democratic Chair of the Committee, Jim Oberstar, lost his reelection bid. In addition, many Democratic Committee members lost their reelection, meaning more new members of the committee on both the Republican and Democratic sides of the aisle. Over the past year, there have been some steps taken by Congress and the Administration to move the discussion forward on what the future of transportation in this country should be. Secretary LaHood has participated in a series of listening sessions around the country on our transportation needs and Administration officials have said that they will release their transportation reauthorization proposal in February.

Of course, The big hang up is how you pay for a transportation bill. The current gas tax will not cover the costs for future transportation legislation. While there has been a discussion of a wide variety of funding options, no one option or suite of options have been identified as the keys for moving the bill forward.

*Reauthorization of the Elementary and Secondary Education Act:* Another area of possible bipartisanship is over the reauthorization of the Elementary and Secondary Education Act (or No Child Left Behind). Both Democrats and Republicans view the law as too rigid. In the Senate, Democrats and Republicans already came to agreement on some of the proposals in the Obama administration's blueprint for change, released in March. But several contentious areas remain, including administration proposals to make more federal grants to public schools competitive, tie teacher evaluations to student performance and require failing schools to take dramatic turnaround steps. In the House, the likely committee chair, John Kline, also wants to make changes to ESEA to seek maximum flexibility for states and local school districts. While he and other Republicans share some of President Obama's education priorities, such as expanding access to charter schools and rewarding teachers based on performance, they balk at many others that they say would prevent states from setting standards for students, teachers and curricula.

*Water Resources Development Act:* The last Water Resources Development Act bill was enacted in 2007 (this legislation is scheduled to be done every two years). This legislation has been a bipartisan bill in the past, since water resources projects are important to almost every district in the country. The question is whether the no earmark rhetoric will carry over to this bill (where individual projects are authorized, but no actual spending is attached to the authorization) or if delineation is acknowledged between this type of bill and earmarks in appropriations bills.

### **Major Grants Awarded to the Puget Sound Area**

One thing that should not be lost from the election results is that the Administration still has a huge amount of leeway in controlling the direction of programs and policies. The recent success of our region in securing competitive federal dollars shows, that at least over the next year or so, as competitive money becomes available we should be in a position to be competitive for this money. The Puget Sound Area has received several major grants over the past few months. These include:

- \$18.29 million for King Street Station Renovation from FY 2010 High Speed Rail funds
- \$2.55 million for King Street Station Energy Efficiency Improvements from Federal Transit Administration's TIGGER Grant program
- \$4.99 million for Puget Sound Regional Council from HUD's Sustainable Communities Initiative to coordinate an innovative new regional partnership joining cities, housing authorities, counties, public health agencies, affordable housing advocates, educational institutions and development interests in planning around transit centers.
- \$32 million for South Park Bridge replacement from the US Department of Transportation's TIGER Grant program